

R590. Insurance, Administration.

R590-118. Licensing Examination Rule.

R590-118-1. Authority.

This rule is promulgated by the Commissioner of Insurance pursuant to Section 31A-2-201(3) authorizing rules to implement the Utah Insurance Code and Sections 31A-23-207(1), 31A-26-207(1) and 31A-23-211(5)(a) permitting the commissioner to require and provide for the administration of examinations for designated license classes.

R590-118-2. Purpose and Scope.

A. The purpose of this rule is to provide for the administration of qualification examinations for licenses permitted in Sections 31A-23-207(1), 31A-26-207(1) and 31A-23-211(5)(a).

B. The rule shall apply to all designated prospective individual license classes under the Insurance Code except Surplus Lines and Managing General Agent, and for all lines of insurance except Credit Life and Disability.

R590-118-3. Definitions.

For the purposes of this rule "Candidate Pass Ratio" is the proportion of individual candidates who successfully complete the examination, rather than the number of examinations attempted. Candidate rather than examination data is used to prevent the skewing of results caused by multiple failures by marginal candidates.

R590-118-4. Examination.

A. Requirement. Examinations shall be required to qualify candidates for all lines of insurance listed under Sections 31A-23-204 and 31A-26-204 except credit life and disability or other limited lines designated by the commissioner, and examinations shall also be required for the licensure classes of Agent, Broker, Consultant, and Adjuster. Surplus line and Managing General Agent licenses do not require an examination.

B. Administration. With the exception of NASD examinations for variable annuity licensure, all license examinations shall be administered, upon order of the commissioner, by an examination contractor according to Insurance Department specifications.

C. Procedures. Examination procedures are set forth in detail in a publication entitled "Utah Insurance Department Licensing Information Bulletin," which is available from the Insurance Department. An applicant must take and pass the examination for the type of license which is being applied for. The license application, examination registration form and the correct license fee, as required in Rule R590-102, must be submitted to the Insurance Department within 90 days of the examination pass date in order for a license to be issued. After 90 days, the examination must be retaken. Individuals currently licensed as agents who are applying for a broker or consultant license must request and receive approval from the Insurance Department before registering for an examination.

R590-118-5. Conditions or Exceptions.

A. This rule does not apply to applicants for Surplus Line Broker, Managing General Agent, Credit Life and Disability, or other limited agent licenses for lines of insurance designated by the commissioner.

B. The examination required of an agent or broker applicant for the applicable lines of insurance shall be waived by the commissioner if the applicant holds the designation of Fellow, Life Management Institute (FLMI), Chartered Life Underwriter (CLU) or Chartered Property Casualty Underwriter (CPCU).

C. The examination required of Life/Health Consultants shall be waived for holders of the following designations: Fellow, Life Management Institute (FLMI); Chartered Life Underwriter (CLU); Chartered Financial Consultant (ChFC); or Certified Financial Planner (CFP). The examination required of Property/Liability Consultants shall be waived for holders of the Chartered Property Casualty Underwriter (CPCU) designation.

D. An individual moving from another state to Utah must obtain a letter of clearance and complete the required examination process, which would take into account retaliatory requirements, within 90 days from the date the person's license was cancelled in their home state. If action is not taken until after the 90 day deadline the individual must meet all of the Utah resident licensing requirements.

E. If an individual moves from Utah to another state, becomes licensed in that state, and then moves back to Utah, the individual may request reinstatement of their Utah resident license. The license will be reinstated without the requirement of examination if reinstatement is within one year from the date the letter of clearance was issued by the Utah Insurance Department.

F. Section 31A-23-201(2) that permits the commissioner to recognize additional license classifications as to other types of insurance, and Section 31A-23-201(2) that permits the exemption, by the commissioner, of certain classes of persons from the requirements of licensure, are not the subject of this rule.

R590-118-6. Separability.

If any provision of this rule or its application to any person or circumstance is for any reason held to be invalid, the remainder of the rule and the application of such provision to other persons or circumstances may not be affected.

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